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FOREIGN CROPS and MARKETS

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IN THIS ISSUE

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LATE FOREIGN DEVELOPMENTS

HUNGARY: Official crop report indicates sowing winter bread grains above expectations. Areas provided for winter crops mostly planted by early November.

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GERMANY: Since October 19, normal consumers and children receive on cake card for a 4-week period 2,000 grams of white bread instead 1,600, or 1,500 grams wheat flour instead of 1,200, making the consumption of breakfast rolls possible. The 4-week bread ration for normal consumers is divided as follows: Rye bread 1,750 grams instead of 1,600, wheat bread 500 grams instead of 400.

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ARGENTINA: Final official estimate places 1941-42 cotton crop at 373,000 bales (of 478 pounds) compared with a fourth estimate of 371,000, and a final 1940-41 estimate of 232,200 bales.

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EGYPT: Second official estimate places 1942-43 cotton crop at 778,000 bales (of 478 pounds) compared with a preliminary estimate of 725,000, and a final estimate of 1,735,000 for 1941-42. Extra long staple is estimated to account for about 396,000 bales of the current figure.

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PARAGUAY: The 1941-42 cotton crop is now estimated at about 28,000 bales (of 478 pounds) as against a 1940-41 crop of 29,000 bales. Minimum prices, offered by the Government, were raised by a decree of August 7, 1942, to 180 pesos per 10 kilograms (2.45 cents per pound) for first-grade seed cotton, or 30 pesos (0.41 cent) higher than last year's schedule.

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G R A I N S

VENEZUELA REGULATES THE SALE AND USE OF IMPORTED FLOUR . . .

The sale and distribution of all imported flour in Venezuela is now controlled by the National Control Board, according to information received in the Office of Foreign Agricultural Relations. This Board recently decreed that 50 percent of all imported wheat flour used in the country must be of South American origin. As originally worded, the regulation, published September 5, applied only to the Federal District and the adjoining District of Sucre in the State of Miranda. Later, however, the scope of the regulation was extended to include the entire State of Miranda and the neighboring States of Aragua and Carabobo. In the areas named, bakers must use South American flour in equal quantities with that imported from North America.

Sales of South American flour are not restricted in any way, but inquiries concerning North American (largely United States) flour must be made through the National Control Board, and of each purchase permitted, at least half must be of South American origin. Regulations require bakers to make four sworn declarations monthly concerning the acquisition, consumption, and remaining stocks of flour. Importers are also required to make declarations covering all shipments received and sales made. No part of their stock may be transferred without previous authorization of the Board. Maximum sales prices on the imported South American flour are fixed by the Board at 108 percent of the purchase price.

As Venezuela depends on imported flour for about 90 percent of its needs, it is obvious that these regulations affect virtually the entire flour consumption. Imports were previously largely from the United States (average 1937-1941 about 357,000 barrels), but with shipping difficulties and the new restrictions favoring South American flour, it may be expected that Argentina will supply increasing quantities of the country's needs.

In order to extend supplies, which were short earlier in the season, bakers in the areas mentioned before are required to use corn and yuca meal in admixtures to at least 10 percent with wheat flour, effective October 8. Where plantain flour is available in sufficient quantities, it must also be used in the proportion of 5 percent of weight of the bread.

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ARGENTINE CORN SUPPLIES CONTINUE HEAVY: EXPORT RESTRICTIONS REMOVED . . .

The burdensome corn supply situation in Argentina continues to dominate the grain picture. Three large crops in succession have piled up stocks far in excess of the country's needs and its facilities for

storage. The recently issued third estimate of the 1941-42 production, at 355.7 million bushels, revised the crop only 3.9 million bushels below the previous estimate. The large crop, added to the record stocks, presents a serious problem, especially with exports limited as they are by the shipping situation. Whereas normally 80 percent of the crop is exported, from April to the beginning of November of this year, less than 2 percent of the crop had been exported. The limited storage space available in the country is required for the wheat and linseed crops, and the large corn supplies are piled up on the farms, where they are subject to deterioration from inadequate protection.

Though no estimate of the corn area recently planted is available, it is generally believed that the acreage reduction is not sufficient to relieve the supply situation if average yields should result. Trade sources have indicated estimates of some reduction, possibly from 10 to 15 percent, in the new crop plantings.

The supply situation at the beginning of the current crop year (April 1) was estimated on the basis of officially reported surplus (carry-over) stocks of 310 million bushels, but the following month this figure was revised to 137 million bushels, indicating large losses from shrinkage and deterioration. In October the carry-over was again revised, showing a scaling down to 87 million bushels to allow for a reduction of about 50 million bushels attributed to further storage losses and disappearance. It should be noted, however, that the official tabulations do not make allowance for increased feeding and use for fuel, which undoubtedly account for part of the amount listed as loss.

Even with the balance available for export reduced by the large losses and increased consumption, the indicated surplus available for export at the beginning of November, reported at 359 million bushels, is still of record proportions. Exports to that date were neglibible, amounting to less than 5 million bushels, and the shipping situation would seem to preclude any great expansion for the remainder of the season. Compartively small markets for corn for fuel are reported in Uruguay and for feeding in Chile.

With the unfavorable export prospect, it is evident that disposal of the crop depends largely at present on its use as fuel and for feeding. With the intent to make prices low enough to stimulate domestic utilization, the Government adopted a program of buying the crop from the farmer and reselling to him at 50 centavos per 100 kilograms (about 3.8 cents per bushel), thus making large quantites of corn available for feed and fuel. The purchase of the new crop was made conditional on the re-purchase by the farmers of any remaining old stocks on farms, at a rate of 20 centavos per 100 kilograms for unshelled corn (1.5 cents per bushel). This put extremely low-cost feed on the market for both hogs and cattle. A demand for corn for cattle feeding is reported as a result of serious drought conditions over much of the cattle-feeding zone. Meat prices are high

relative to corn, making this outlet for grain profitable. The cost of transportation from the producing areas is the largest factor in the price in the feeding areas. Unshelled corn of the 1942 crop in the producing areas is reported selling generally at 70 centavos per 100 kilograms (5.3 cents per bushel) and is being sold in the western part of the Province of Buenos Aires at 2 to 3 pesos shelled (15.1 to 22.6 cents per bushel).

ARGENTINA: Corn supply and utilization, 1940-41 and 1941-42

Position	1940-41	1941-42
	1,000 bushels	1,000 bushels
Production	403,048	355,652
Carry-over a/ - 1st estimate	248.956	309.964
2d estimate	176,583	136,551
3d estimate	0	b/ 86,869
Seed and normal domestic requirements c/	71,000	79,000
Exports, April-October	7,204	4,543
Official reported surplus, around November 1	325,000	b/ 359,000

Compiled from official and trade sources.
a/ Calculated carry-over, revisions of which are apparently adjustments made to account for losses and increased use for feed and fuel. b/ Subject to further revision, according to recent official announcement.
c/ Estimated (residual) figure arrived at through deducting official estimate of surplus and exports from supply. Excludes unusual developments in increased utilization for feeding and fuel since these "abnormal" uses, with loss, are factors reported to be effecting revisions in carry-over.

Under the decree dated November 6 the Government has repealed a former regulation making it necessary that corn for export be obtained from the Grain Regulating Board. Payment to the Board of a compensation charge of 2 pesos per 100 kilograms (15.1 cents per bushel) for sound corn of export type, or 80 centavos (6.0 cents) for denatured corn for fuel, is the only requirement for export. It is pointed out that the Government considers it necessary to recover this part of the subsidy granted repurchasers since the low repurchase price was intended to stimulate domestic use for feed and fuel and not as an export subsidy. The Argentine Government's debt to the Bank of the Nation on account of corn purchases was recently listed at around 179 million pesos (54 million dollars).

As an additional outlet for surplus stocks of grain, a draft of a law before Congress provides for the erection of alcohol distilleries with a minimum total annual capacity of 110 million liters of motor fuel (29 million gallons). Action was not taken on the proposal before the adjournment of Congress on September 30, but it is expected to be considered when Congress reconvenes in May 1943.

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COSTA RICA ADOPTS RATIONING
TO CONSERVE SMALL FLOUR SUPPLY . . .

The Costa Rican Government has recently amended its system of rationing flour by banning retail sales of flour and making all distribution through bakeries as bread, according to a cable recently received in the Office of Foreign Agricultural Relations. The flour situation is considered serious and was particularly critical during the first half of November when the country was reported to be without flour.

About mid-November the arrival of two consignments of flour at Puntarenas, amounting to a total of 513 long tons, relieved the situation somewhat but cannot be considered other than a temporary alleviation since peacetime monthly requirements were placed at 975 long tons. Demand would now seem to be considerably above that figure, largely as the result of the increased number of Americans now in Costa Rica working on different projects, such as the Pan American Highway, the Public Health Committee of the Inter-American Institute, and the United Fruit Committee's project for producing abaca.

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RICE IMPORTATION PROHIBITED BY PANAMA . . .

A decree dated October 8, 1942, and published the following day prohibits the importation of rice into the Republic of Panama until further notice. The reasons given for this prohibition are the existence of precent supplies adequate to meet local needs and protection for native farmers who, having received encouragement from the National Government to plant rice, are anticipating abundant harvests in the near future. Rice imports into Panama during 1936 to 1940 average 7,300,000 pounds.

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EXPORTS OF RICE PROHIBITED BY ECUADOR . . .

A report just received from Quito states that the Ecuadoran Minister of Agriculture has instructed the Director of Mills Control not to grant future permits for the export of rice from Ecuador without first consulting the Ministry. All petitions presented since October 29 have been denied. This action, intended as a temporary measure, was taken in order to assure an ample supply for internal consumption.

Ecuador, the third largest rice-exporting country in the Western Hemisphere, harvested a record crop this year and sales for export were reported very heavy about mid-October.

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V E G E T A B L E O I L S A N D O I L S E E D S

INDIAN OILSEED MARKET GAINS
DURING JULY - SEPTEMBER QUARTER....

The Indian oilseed market has been subjected to a series of interruptions during the current year. The approach of war to the shores of India resulted in a general weakness and inactivity during the spring months. Many laborers, usually employed in east-coast oilseed centers, fled to the interior, causing oilseed crushing mills to close and prices to sag. There was, however, a decided improvement during the summer months, and substantial price increases were recorded. The upward trend was due to the short supplies and a demand on the part of crushing mills and financiers seeking commodity investments. In the Madras area regular buying order from the British Ministry of Food, coupled with increased local consumption and shortage of 1941-42 crops, brought about an upward tendency in the market.

Oilseed production in 1941-42 was considerably smaller than that of the previous year. Rape and mustard seeds were the only crops that exceeded the harvest of 1940-41. While rape-and mustard-seed production are second only to peanuts in volume, they are not important in India's foreign trade, as most of the oil is consumed in the vicinity of Calcutta.

INDIA: Area and production of specified oilseeds, 1938-39 to 1941-42

Item	1938-39	1939-40	1940-41	1941-42 a/
Area	1,000 Acres	1,000 Acres	1,000 Acres	1,000 Acres
Peanuts	8,506	8,410	8,770	6,900
Flaxseed	3,869	3,715	b/3,619	3,340
Sesame seed	4,331	4,031	b/4,097	b/4,097
Castor beans	1,198	1,005	b/1,021	931
Rape and mustard seed	5,535	6,113	b/6,218	6,208
PRODUCTION	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Peanuts	3,605	3,543	4,146	2,852
Flaxseed	495	522	b/ 486	404
Sesame seed	b/ 444	465	b/ 486	b/ 465
Castor beans	124	109	b/ 118	100
Rape and mustard seed	1,029	1,252	b/1,235	1,242

Compiled from official sources.
a/ Subject to revision.
b/ Revised

The area planted to peanuts this year, according to the second official forecast, is 6,381,000 acres. This represents an increase of 13 percent over the corresponding estimate for 1941-42. The crop harvested early in 1942 was the smallest since 1936 and was the result of the Indian Government's efforts to limit production when exports were curtailed.

Consumption of peanuts in Bombay were much below normal during the July-September quarter. This decrease was attributed to price competitions, unsettled business conditions, and a short-lived strike in one of the large mills. At Madras, consumption was fairly high during the quarter. There was an increased demand for peanuts for edible purposes to offset a shortage of sesame seed, and for peanut oil as a substitute for crude oil to use in Diesel engines. According to trade sources in Madras, the British Ministry of Food purchased 60,000 short tons of peanuts on the east coast of India and 106,000 tons along the west coast during July and August.

Stocks of peanuts in the hands of exporters at ports in South India at the end of September ranged from 19,000 to 28,000 short tons, and Bombay stocks were estimated at 7,800 tons. Arrivals of peanuts at Bombay from January 1 to September 30 of this year are estimated at 100,000 tons, compared with 180,000 during the same period in 1941. From January 1 to August 31, 1942, a total of 68,000 short tons of peanuts was exported from Bombay as against 54,000 in the same months last year. This increase in shipments from Bombay was due largely to diversion of supplies from east coast ports because of reduced shipping activity in the Bay of Bengal following the fall of Malaya and Burma.

The demand for peanut oil throughout India increased during the year as the acute shortage and advanced cost of kerosene resulted in greater use of peanut oil for lighting purposes. In addition, stocks of crude oil suitable for Diesel engines were exhausted in many places, and, since experiments have proved that peanut oil is a satisfactory substitute, considerable quantities were used for this purpose.

The flaxseed market at Calcutta maintained a firm tone during July, with prices steady. Stocks in the port of Calcutta were small and arrivals from the interior were negligible. A shortage of seed combined with increasing demand on the part of Calcutta mills and shippers was responsible for a rise in price from $1.36 to $1.44 per bushel. A limited quantity from the neighboring districts, however, reached Calcutta by river and was readily taken up. Export demand was fairly good, but business transacted was small. In August the market was virtually inactive, and political disturbances caused additional difficulties in transportation facilities, which were already strained. Sellers remained idle until conditions improved in the interior districts. Activity in the market was confined to some small ready lots for which

shippers and mills competed. The market continued stagnant during the first half of September, but prices were firm. Sellers were disinclined to transact business. In the last 2 weeks of the month, however, there was a resumption of arrivals from the interior, and shippers and local mills purchased fair quantities. Purchases were also made by Great Britain and Australia.

Bombay business in flaxseed was subject to the same interruptions because of political unrest as characterized the other oilseed markets during most of August and September, but in spite of irregular activity the price trend was higher. The British Ministry of Food's purchases (from east-coast ports only) totalled 6,000 short tons during July-September, according to a well-informed trade source in Bombay.

Flaxseed futures at Bombay opened at approximately $1.28 per bushel, advanced to $1.33 by the middle of July, and declined to $1.25 during the first week of August. No transactions were reported during the rest of August and September. Bold flaxseed for spot delivery opened at $1.66 per bushel, and on reports of good export demand from Australia and active purchases by dealers, prices advanced to $1.84 toward the third week of July. Subsequently, occasional spurts took the price up to $1.96, from which level liquidation in sympathy with cotton and peanuts brought prices down to $1.71 by the end of July. The fall in prices was attributed to political disturbances and rumors of a possible cessation of future purchases of flaxseed from Bombay by the British Ministry of Food. Bold flaxseed was nominally quoted at $1.66 about the end of September 1942.

The <u>castor-bean</u> market was quite active during the third quarter, particularly at Bombay, where prices rose substantially during July, but later declined somewhat in sympathy with those of peanuts and flaxseed. The rise in prices was attributed to scanty arrivals and brisk inquiries in behalf of the British Ministry of Food. At Calcutta the market was affected to a large extent by transportation difficulties, and arrivals were small. There was a keen demand, however, from mills and shippers in that area. At Madras, there was little export interest in castor beans, and prices were nominal until the last week of July, when a rise began. Considerable business with the United Kingdom was transacted at increased prices until about the middle of August, after which a slight decline was experienced. Prices were steady at the close of the quarter. Local demand for Madras castor beans was also very keen, and toward the end of September exporters were unable to compete with domestic consumers and speculators, who were willing to pay considerably more than the prevailing export price.

The second forecast for Indian <u>sesame seed</u> is placed at 2,745,000 acres compared with 2,478,000 acres at the same time in 1941. No estimate of yield is yet available, although the condition of the crop is reported to be good. Practically all of the sesame oil produced in India is consumed locally in the preparation of food.

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COTTON - OTHER FIBERS

DROUGHT DELAYS COTTON PLANTING
IN SOUTHERN BRAZIL . . .

A prolonged drought in Southern Brazil has caused a delay of 4 to 6 weeks in cotton planting (normally September-November), and considerable replanting has already been done. This factor, together with a shortage of gasoline for motor trucks and tractors, is now expected to limit the 1942-43 cotton acreage to last year's level or lower. Supplies of insecticides and fertilizers, now on hand, are believed to be almost sufficient for the crop now being planted, but stocks are being depleted, with little possibility of replacement in the near future by importation.

Exports of cotton from all Brazil during the first 11 months of 1942 amounted to 642,000 bales (of 478 pounds) compared with 1,315,000 bales for the corresponding period in 1941. Only 12,600 bales were exported in October 1942 and 35,000 in November, making a total of 253,000 for August-November. Recent sales of 70,000 to 90,000 bales were reported for shipment within about 3 months to Spain, Portugal, and Sweden. In addition, small shipments are still being made to the United Kingdom and Colombia.

BRAZIL: Cotton exports by countries of destination, August - November 1942, with comparisons
(In bales of 478 pounds net)

Country	1939-40	1940-41	1941-42	August - November a/	
				1941	1942
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United Kingdom	295	106	263	139	17
Germany	70	10	0	0	0
Japan	219	387	17	17	0
China	158	191	48	48	0
Canada	20	290	116	75	0
United States	b/ 11	b/ 154	b/ 145	b/ 112	0
Sweden	2	26	102	14	85
Portugal	52	15	32	23	3
Spain	3	83	80	0	120
Colombia	3	39	33	21	28
Others	148	32	20	4	0
Total	981	1,333	856	453	253

Compiled from official and trade sources.
a/ Preliminary. b/ Mostly for transshipment to Canada.

The 1942-43 cotton crop, now being picked in Northern Brazil, was officially estimated early in November at 390,000 bales and, more recently, was estimated by private sources as low as 254,000 bales. A prolonged drought in this area has been particularly severe on the crop of perennial cotton (Seridó and Sertao), produced in the interior and normally

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representing about 75 percent of the entire cotton crop in Northern Brazil. About 140,000 bales are consumed annually by local mills, while mills in Southern Brazil usually consume more than 200,000 bales of North Brazilian cotton.

Scarcity of these long staple growths has influenced a rise in prices from a July-September level of 67 to 70 milreis per arroba, or 11.72 to 12.24 cents per pound, for Sertao at Pernambuco to 80 cruzeiros (formerly called milreis), or 14.00 cents per pound, during the last half of November. Southern mills are substituting Sao Paulo cotton for the ordinary long staple from northern States as far as possible. Inadequate coastwise shipping, since Brazil entered the war on August 22, also has delayed cotton movement to some extent.

Brazilian mills are still operating at near-capacity levels and are expected to consume at least 750,000 bales in 1942. The industry now has about 3,000,000 spindles compared with 2,800,000 in 1940. Spot prices of Sao Paulo cotton have followed an upward trend from a low level of about 62 milreis (10.84 cents) in mid-August for type 5 cotton at Sao Paulo to a current level of 67 cruzeiros (11.73 cents).

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EL SALVADOR COTTON CROP ESTIMATE
REVISED DOWNWARD . . .

The 1942-43 cotton crop in El Salvador was recently estimated at 14,000 to 16,000 bales (of 478 pounds) instead of 18,000 bales as forecast earlier. Picking usually lasts from November to March, and it was pointed out that swarms of locusts often destroy the plants and immature bolls after picking of the opened bolls has begun. For this reason, it is possible that the final estimate may be much lower, as in 1941 when only 4,000 bales were produced.

The four cotton factories (spinning and weaving) in El Salvador are operating 24 hours a day in an effort to fill local demand for cotton textiles, most of which formerly were imported. Regulations instituted May 22, 1942, place the entire cotton industry under Government control and require local mills to use only domestic cotton. (See Foreign Crops and Markets, August 10, 1942.)

About 1,300 bales of cotton were exported, mostly to Guatemala, during the year ended June 30, 1942, while 400 bales were imported (apparently reimports). Stocks on hand at the end of June 1942 amounted to 6,600 bales compared with 10,500 a year ago. Cuba, Guatemala, and Costa Rica are considered as the only likely export outlets for Salvadoran cotton that are easily accessible with shipping facilities now available.

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L I V E S T O C K   A N D   A N I M A L   P R O D U C T S

CANADIAN LIVESTOCK NUMBERS INCREASE . . .

All classes of livestock in Canada showed increases as of June 1, 1942, compared with the preliminary census figures for 1941. Further increases appear likely, as there is an abundance of feed supplies available and wartime demand for meat and dairy products continues to mount.

Hogs increased more than any other livestock and reached the record total of 7,133,00, or 17 percent above 1941. 1/ Cattle increased 5 percent to 8,945,000, sheep 11 percent to 3,195,000, and horses 1 percent to 2,816,000 head. Estimates for the years 1932 to 1940 are to be revised in the light of the 1941 census figures, so that exact comparison cannot be made with those years. Increases as compared with the unrevised figures for 1939 are as follows: Cattle 6 percent, hogs 66 percent, sheep 12 percent, and horses 1 percent.

CANADA: Number of livestock on farms, June 1, 1941 and 1942

Kind	June 1, 1941	June 1, 1942	1942 as percentage of 1941
	1,000 head	1,000 head	Percent
Cattle, total	8,511	8,945	105.1
Milk cows only	3,588	3,680	102.6
Hogs	6,093	7,133	117.1
Sheep	2,862	3,195	111.6
Horses	2,789	2,816	101.0

Livestock Survey, June 1, 1942, Dominion Bureau of Statistics, Ottawa.

Most of the increase in livestock numbers occurred in the Prairie Provinces, mainly owing to the abundance of feed crops grown in that area. The number of cattle, other than dairy cows, in these Provinces is now almost as large as in the five eastern Provinces. There was an increase in the Prairie Provinces of 14 percent above 1941, distributed as follows: 17 percent in Manitoba, 12 percent in Saskatchewan, and 9 percent in Alberta. The number in the eastern Provinces remained about stationary. Milk cows are still concentrated largely in the east, Ontario alone having almost as many as the three Prairie Provinces combined.

1/ See Foreign Crops and Markets, November 23, 1942 - Canadian Hog Numbers Largest on Record.

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CANADA: Number of livestock other than hogs, on farms, June 1, 1942, with percentage of 1941 a/

Section and Province	Cattle			
	Milk cows	Other cattle	Total	1942 as percentage of 1941
	1,000 head	1,000 head	1,000 head	Percent
Eastern -				
Ontario	1,150	1,489	2,639	99.9
Quebec	997	784	1,781	101.6
New Brunswick	111	96	207	100.5
Nova Scotia	104	100	204	99.4
Prince Edward Island	47	52	99	104.2
Total	2,409	2,521	4,930	100.6
Prairie Provinces -				
Manitoba	345	477	822	116.8
Saskatchewan	468	927	1,395	112.0
Alberta	367	1,102	1,469	109.2
Total	1,180	2,506	3,686	111.9
British Columbia ...	92	237	329	103.6
Total Canada ..	3,681	5,264	8,945	105.1

Section and Province	Sheep		Horses	
	Total	1942 as percentage of 1941	Total	1942 as percentage of 1941
Eastern -	1,000 head	Percent	1,000 head	Percent
Ontario	689	104.1	527	98.8
Quebec	544	103.1	335	100.6
New Brunswick	94	104.0	46	103.2
Nova Scotia	147	106.6	36	99.1
Prince Edward Island	47	106.0	28	99.4
Total	1,521	104.0	944	97.1
Prairie Provinces -				
Manitoba	311	127.0	305	101.0
Saskatchewan	410	124.0	830	103.2
Alberta	828	117.9	647	100.2
Total	1,549	121.2	1,782	100.0
British Columbia ...	126	101.9	62	99.8
Total Canada	3,195	111.6	2,816	101.0

a/ Preliminary census for 1941. Previously published estimates for the years 1932 to 1940 remain subject to revision in the light of the 1941 census figures.

Sheep increased 21 percent above last year in the Prairie Provinces, Manitoba again showing the largest increase, or 27 percent, Saskatchewan 24 percent, and Alberta 18 percent. The eastern Provinces showed an increase of 4 percent. Demand and higher prices for wool are primarily

responsible for the large increase in sheep numbers. Canadian farmers were reluctant to go into the sheep business without some guarantee of prices in post-war years.

Encouragement was given sheepmen in the spring of 1942 by the setting up of the Canadian Wool Board Limited with powers to act on behalf of the Wartime Prices and Trade Board in the acquisition, conservation, and distribution of domestic and foreign wool and to provide a stable market at known prices for all wool production during the present war and one producing year thereafter. The present objective is to increase sheep numbers 1,000,000 head by 1943. Canada normally imports a little over 70 percent of domestic requirements of raw wool, mostly from New Zealand and Australia.

There was not much change in the number of horses. The number in Saskatchewan, which has more than any other Province, increased 3 percent. Horses about held their own in the other Prairie Provinces. Numbers in the five eastern Provinces showed a decrease of 3 percent, owing principally to the decrease in Ontario.

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INCREASED CUBAN HOG PRODUCTION
FALLS SHORT OF REQUIREMENTS . . .

Notwithstanding an estimated 10- to 15-percent increase in hog production in Cuba in the past 2 years, the industry is far from supplying domestic requirements of pork, and especially lard. 1/ Despite the fact that current prices for hogs are as much as $2.50 per 100 pounds above a year ago, fewer hogs are being sent to market this fall, and another price rise of a half to three-fourths of a cent per pound is anticipated. Purebred hogs of good weight are selling at $13 per 100 pounds.

Owing to the fact that even purebred stock degenerates in 3 or 4 generations in Cuba, it is necessary to import purebred hogs regularly for breeding purposes. Good results have been obtained by breeding imported purebred boars to native sows. Since scientific feeding is not generally practiced, hogs mature slower than in the United States, and many hogs are not ready for slaughter until 2 or 2-1/2 years old. The average age at slaughter is 1-1/2 years and the average weight 170 to 250 pounds.

Adequate total slaughter statistics are not available, but it is unofficially estimated that inspected slaughter for the year 1942 will exceed that of 1941 (reported at 210,000 head) by about 20,000 hogs. Approximately 26 million pounds of pork were produced, or about 126 pounds

1/ See Foreign Crops and Markets, November 23, 1942 - Cuban Lard Shortage Continues.

per hog. Domestic production in the first months of 1942 was supplemented by imports of 56 million pounds of pork and lard 91 percent of which was from the United States. Argentina, which has only recently become of any importance in the Cuban market, supplied the remainder. Lard constituted the bulk of the imports. Imports of pork and lard totaled 69 million pounds for the entire year 1941 compared with 70 million pounds in 1940.

CUBA: Imports of pork and pork products, 1939-1941, and January-August 1942

Description	1939	1940	1941	January - August 1942
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Fresh pork	a/	a/	-	-
Dried salted pork	2,966	3,074	2,100	711
Pure hog lard	53,470	65,947	65,605	52,072
Compound lard	210	6	190	-
Compound lard for industrial uses	244	66	100	-
Salted or smoked pork .	32	313	190	463
Fat pork, simply salted	1,293	42	827	2,024
Hams or shoulders, cured or smoked	120	634	127	202
Hams or shoulders, sugar-cured or otherwise prepared	88	128	54	29
Total	58,423	70,210	69,193	55,501

Compiled from official sources. a/ Less than 500,000 pounds.

The most recent estimate of Cuban lard requirements from the United States for 1942-43 (July-June) is placed at a minimum of 48.5 million pounds. This is a material reduction from imports in recent years. In 1939 the United States shipped 55 million pounds of lard to Cuba, and shipments in 1940 and 1941 exceeded that amount materially. Exports for the 5-year period, 1935-1939, averaged 40 million pounds. Maximum requirements of salt pork and bellies were placed at 2,590,000 pounds for 1942-43. Requirements in 1943-44 of both lard and pork will be slightly higher, according to present estimates.

The Cuban import duty on pure hog lard was lowered to approximately the pre-1927 level by Trade Agreement of 1934 signed by the United States and Cuba, although the full reduction did not go into effect until September 3, 1936. Imports of lard from the United States mounted steadily throughout the remainder of the thirties. The duties on other pork products were not reduced to anywhere near the pre-1927 levels, and the trade in these products never really recovered. The present Cuban import duty on lard as fixed by the 1934 Trade Agreement, is 1.45 cents per pound compared with 9.60 cents prior to the Agreement, whereas the greatest

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reduction in the duties on other pork products was from 6.53 cents per pound to 4.08 cents on pork in brine, pickled pork, and salted fat pork. The duty on ham was lowered from 8.71 cents to 6.54 and on bacon or salted and smoked pork from 7.62 to 5.95 cents.

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WAR RESULTS IN LARGER MEAT PRODUCTION
IN UNION OF SOUTH AFRICA . . .

High prices and increased demand for meat in the Union of South Africa have resulted in a material increase in production since the war began. Added to the normal needs of the Union population are the increased Army requirements, the needs of thousands of European refugees and Italian prisoners, and the larger number of ships calling at Union ports for supplies.

Meat production in 1941 reached approximately 990 million pounds, according to preliminary estimates based on the index of slaughter at abattoirs. This is an increase of about 30 percent above 1939. The slaughter index for the first half of 1942 indicates that production continued to increase.

UNION OF SOUTH AFRICA: Estimated total slaughter and meat production, 1933-1942

Year	Slaughter a/			Production b/		
	Cattle and calves	Sheep and goats	Hogs c/	Beef and veal	Mutton and goat meat	Pork c/
	1,000 head	1,000 head	1,000 head	Million pounds	Million pounds	Million pounds
1933	594	5,322	218	294	192	27
1934	650	4,616	194	321	166	24
1935	682	4,578	221	337	165	28
1936	960	5,125	272	474	185	34
1937	988	5,900	275	488	200	34
1938	981	5,943	291	485	214	36
1939	1,009	6,268	287	498	226	36
1940	1,114	7,160	330	551	258	41
1941	1,278	8,430	420	631	303	52
1942 d/ ...	1,351	9,261	490	668	353	61

a/ Estimates, including farm production. Figures for 1939 to date are based on the index of slaughter at abattoirs and percentage abattoir slaughter represented of total in earlier years. b/ Official average dressed weight used in estimating production. c/ Slaughter at abattoirs only. d/ Estimate based on figures for 6 months.

Pork production, while relatively small in South Africa compared with that of beef, mutton, and lamb, increased more than other meats.

Before the war the development of the hog industry was slow, mainly because there was no established system of hog farming based on the utilization of waste products. Present high prices have resulted in increased hog-breeding operations. In August 1939, when the last Agricultural census was made, the number of hogs in the Union was only 963,000, compared with 12,060,000 cattle and 38,406,000 sheep, 83 percent of which were wooled.

Continued high prices for meat and wool and the recently increased demand from the allied armies in Africa will tend to stimulate the livestock industry still more. The average price of prime bacon-type hogs at Johannesburg in June 1942 was 8d. (13 cents) per pound live weight, compared with only 5.4d. (9 cents) in June 1941, whereas prime pork pigs were 9 cents compared with 7 cents a year earlier. The price of good medium beef at Johannesburg the same month this year was 49s.8d. ($9.88) per 100 pounds compared with 37s.6d. ($7.46) in 1941. Mutton also was considerably higher, the price for medium merino wethers, on an estimated dressed-weight basis, being 8.2d. (14 cents) per pound against 6.6d. (11 cents) a year earlier.

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ARGENTINE WOOL MARKET SITUATION IMPROVES . . .

Recent granting of import permits by the United States for 44's has improved the Argentine wool situation and resulted in a fair volume of sales of coarse wools containing 44's to the United States in early December. So far in the new season, export demand has been relatively weak. The export market was characterized as inactive in late November. Earlier the United States had showed some interest in fine and fine crossbreds. Lack of demand for coarse wools caused further price declines in late November for those grades.

Wool shipments for the first 2 months of the season (October-November) were slightly under the small exports for this period last year, while the United States was the principal destination as in the past two seasons. Exports totaled 29 million pounds according to preliminary figures, 93 percent of which went to the United States.

More recent information received by the Office of Foreign Agricultural Relations from the American Embassy at Buenos Aires regarding Argentine wool production, stocks, and domestic consumption for 1942-43 indicates that the exportable surplus will be approximately 597 million pounds, including wool held to the account of France and other European countries cut off by the blockade. The production estimates published in Foreign Crops and Markets, November 23, 1942, remain the same.

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